

Message Text

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ROME FOR FODAG

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TAGS: ECIN, VE

SUBJECT: PRESIDENT PEREZ' LETTER TO PRESIDENT OF FAO CONFERENCE

REF: CARACAS 11053

1. IN AN OPEN LETTER TO THE PRESIDENT OF FAO CONFERENCE, PRESIDENT PEREZ RELATED WORLD FOOD CRISIS TO TERMS OF TRADE. PEREZ SAID THAT HIGH PRICES CHARGED BY DEVELOPED NATIONS FOR CAPITAL GOODS ESSENTIAL FOR EXPANSION OF AGRICULTURAL PRODUCTION WAS ONE MAJOR CAUSE OF WORLD FOOD CRISIS. HE CALLED FOR HIGHER PRICES FOR PRIMARY PRODUCTS AND RAW MATERIALS PURCHASED FROM DEVELOPING COUNTRIES TO PERMIT THEM TO AFFORD CAPITAL GOODS.

2. PEREZ SCORED DEVELOPED COUNTRIES FOR ONLY WISHING TO DISCUSS WORLD HUNGER PROBLEM AND METHODS TO AMELIORATE FOOD CRISIS. HE SAID DEVELOPED COUNTRIES NOT IN TOUCH WITH REALITY AND THAT SOLUTION TO WORLD FOOD CRISIS COULD ONLY BE FOUND BY SOLVING INEQUITIES INPRESENT SYSTEM OF INTERNATIONAL COMMERCE. HE ASSERTED THAT MOST OF WORLD'S INHABITANTS WOULD CAST THEIR VOTE FOR A NEW INTERNATIONAL ECONOMIC ORDER, BUT THAT NEW ORDER WWOULD

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BE UNACCEPTABLE TO FEW COUNTRIES WHO NOW HAE BULK OF WORLD'S

CAPITAL AND TECHNOLOGY. HE LIKENED ACCEPTANCE OF INEQUITIES IN PRESENT TERMS OF TRADE BETWEEN RAW MATERIALS PRODUCING NATIONS AND INDUSTRIALIZED NATIONS TO MORAL ACCEPTANCE OF SLAVERY IN CENTURIES PAST.

3. PEREZ SAID THAT HUNGER IS NOT NEW PROBLEM IN THE WORLD AND THAT PRESENT DISEQUILIBRIUM IN WORLD ECONOMY CANNOT BE BLAMED ON INCREASED PETROLEUM PRICES, AS SOME HAVE CHARGED. RATHER, HE ATTRIBUTED PRESENT WORLD FOOD AND ECONOMIC CRISIS TO "A SQUANDERING AND WASTEFUL ECONOMIC SYSTEM" SUSTAINED BY INEQUITIES IN THE TERMS OF TRADE. HE SAID MAJOR WORLD POWERS COULD SUSTAIN PRESENT INTERNATIONAL ECONOMIC ORDER BY FORCE, BUT THAT DOING SO WOULD ONLY POSTPONE CATASTROPHE AND ONLY TRUE SOLUTION WOULD BE TO ASSURE THAT TERMS OF TRADE ARE BALANCED IN JUST MANNER.

4. PEREZ REFERRED TO INTERNATIONAL ALMS AND CHARITY AS TRANQUILIZERS FOR THE CONSCIENCE OF THE INDUSTRIALIZED WORLD AND OFFERING NO PERMANENT SOLUTIONS TO THE CAUSES OF THE WORLD FOOD CRISIS.

5. PEREZ ATTRIBUTED RAW MATERIALS PRICE FLUCTUATIONS TO DELIBERATE MANIPULATIONS IN THE FINANCIAL CENTERS OF THE DEVELOPED COUNTRIES. HE CITED ONE OF THE GREAT POWERS FOR PAYING ITS FARMERS NOT TO PLANT WHEAT IN ORDER TO MAINTAIN PRICES WITHOUT TAKING INTO ACCOUNT THE POVERTY AND HUNGER IN OTHER WORLD AREAS.

6. PEREZ SAID THAT VENEZUELA IS DISPOSED TO GIVE A WARM RECEPTION AND FULL COOPERATION TO THE CREATION OF AN AGRICULTURAL DEVELOPMENT FUND BUT ADDED THAT SUCH A BODY SHOULD ALSO CONCERN ITSELF WITH ALLEVIATING THE PRESENT INEQUITIES IN THE TERMS OF TRADE BETWEEN THE DEVELOPED AND THE DEVELOPING COUNTRIES.

7. PEREZ SAID THE PRESENT WORLD ECONOMIC SITUATION HAS BROUGHT GREATER UNCERTAINTIES THAN AT ANY TIME SINCE WORLD WAR II. HE WARNED OF THE DANGERS OF A WORLD RECESSION AND ASKED THAT THE LESSONS OF THE 1930'S NOT BE FORGOTTEN. AGAIN, HE CITED RECTIFICATION IN THE TERMS OF TRADE AS A MECHANISM TO HEAD OFF WORLDWIDE RECESSION.

8. INCLOSING, PEREZ EXPRESSED HOPE FOR SOLIDARITY AMONG THE DEVELOPING NATIONS IN SEEKING JUSTICE FOR THEIR CAUSE.

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FOR ROME (FODAG)
WOULD APPRECIATE KNOWING EXTENT OF COVERAGE PRESIDENT PEREZ' LETTER HAS RECEIVED AND SIGNIFICANT REACTIONS.
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